



STATE BOARD OF
EQUALIZATION



SPECIAL TAXES
DEPARTMENT



ENVIRONMENTAL
FEES DIVISION

The
environmental
fee is used for
programs that
oversee the
treatment,
storage, and
disposal of
hazardous
waste in
California.

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ENVIRONMENTAL FEE

HEALTH AND SAFETY CODE SECTION 25205.6

This publication is designed to provide basic information on California's Environmental Fee. If you have questions that are not answered in this publication and would like to talk to a Board representative, please call one of the telephone numbers shown on the reverse.

What is the environmental fee?

The environmental fee is a fee on corporations in industry groups that use, generate, or store hazardous materials or that conduct activities related to those materials. The fee provides revenue for the California Hazardous Waste Management Program, which is administered by Department of Toxic Substances Control (DTSC).

The Department of Toxic Substances Control is responsible for

- Tracking hazardous waste from the point of generation to its final destination;
- Inspecting hazardous waste cleanup sites; and
- Providing regulatory control over generators of hazardous waste and facilities that treat, store, or dispose of hazardous waste.

The fee is paid to the Board of Equalization (Board) and deposited into the state's Toxic Substances Control Account.

How does the state determine which industry groups are subject to the environmental fee?

The DTSC uses the broad legal definition of hazardous materials in determining which industry groups use, generate, store, or conduct activities related to those materials.

Each year, after making this determination, the DTSC sends the Board a list of federal Standard Industrial Classification (SIC) codes for the industry groups that are engaged in activities subject to the environmental fee (SIC codes classify industries by business activity). At this time, all industry groups and SIC codes that are not specifically exempt are included in the listing (see exemptions at right).

Which corporations must register and file returns?

Corporations authorized to do business in the state — including nonprofit corporations, "S" corporations, and out-of-state corporations — must register with the Board and file environmental fee returns if

- They employ at least 50 employees, *and*
- Each of those employees works more than 500 hours in California during the calendar year.

Corporations with fewer than 50 qualifying employees are not required to register or pay the fee.

Parent vs. subsidiary corporations. Parent corporations should contact their wholly-owned subsidiary corporations to find out whether they are registered. If not, the parent company must include information for the subsidiary corporation on the parent company's return. A subsidiary corporation that is registered under its own account number should file separately.

Which corporations are not subject to the fee?

As noted above, corporations with fewer than 50 qualifying employees are not subject to the environmental fee. In addition, the following are exempt:

- Private households (SIC code 88)
- Nonprofit residential care facilities (SIC code 8361)
- Insurance companies that pay tax on gross premiums in lieu of all other California taxes and license
- Banks that pay a tax on net income in lieu of all other California taxes and licenses
- US Government corporations

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If your corporation is registered for the fee and you wish to claim one of the exemptions listed here, you should file your environmental fee return and explain the basis for the exemption.

How much is the fee?

The annual fee is based on the number of employees who each worked more than 500 hours in California during the year:

<i>Employees</i>	<i>1999 Fee</i>
49 or fewer	\$ 00
50 to 74	\$ 204
75 to 99	\$ 358
100 to 249	\$ 716
250 to 499	\$ 1,534
500 to 999	\$ 2,863
1,000 or more	\$ 9,714

When is the fee due?

The annual fee is due to the Board of Equalization on or before the last day of February. It covers the previous calendar year. All registered corporations should receive a return to complete and mail in. If your corporation does not receive a return in early February, please contact the Board.

To avoid receiving a delinquency notice, your corporation should file its return even if it employs fewer than 50 qualifying employees or you wish to claim one of the exemptions listed in this pamphlet. Late payments are subject to a penalty of 10 percent, plus interest at an adjusted annual rate, as specified in the Revenue and Taxation Code.

Please note: Corporations that are required to register must file a return even if they do not receive one from the Board. To register, call the Environmental Fees Division at the number listed in the next column.

For More Information

For general information . . .

Please call our Information Center

1-800-400-7115

TDD for the hearing impaired

from TDD phones: 1-800-735-2929

from voice phones: 1-800-735-2922



For information regarding registration, returns, payments, or exemptions . . .

Please call the Environmental Fees Division at 916-323-9555

or write to:

Environmental Fees Division MIC:57
State Board of Equalization
P.O. Box 942879
Sacramento, CA 94279-0057



Taxpayers' Rights Advocate

If you are unable to resolve a disagreement with the Board or if you would like to know more about your rights under the Hazardous Substances Tax Law, please contact the Taxpayers' Rights Advocate office for help.

You may call 916-324-2798 or 1-888-324-2798 (toll-free),

or write to:

Taxpayers' Rights Advocate, MIC:70
State Board of Equalization
P.O. Box 942879
Sacramento, CA 94279-0070

Returns must be filed by the end of February for the previous calendar year.
